



ERNIE FLETCHER
GOVERNOR

CABINET FOR HEALTH AND FAMILY SERVICES

DEPARTMENT FOR MEDICAID SERVICES
COMMISSIONER'S OFFICE
275 EAST MAIN STREET, 6W-A
FRANKFORT, KENTUCKY 40621-0001
(502) 564-4321 (502) 564-0509 FAX
WWW.KENTUCKY.GOV

JAMES W. HOLSINGER, JR., M.D.
SECRETARY

March 8, 2004

Pharmacy Letter #A - 467

Dear Pharmacy Provider:

In September 2003 Kentucky Medicaid, in compliance with HIPAA requirements, converted to NCPDP 5.1 for processing pharmacy claims. NCPDP 5.1's updates provided Medicaid with the option of adding new required fields to claims submitted. Effective April 5, 2004, the three policies listed below will be implemented.

Unit of Measure

Field 600-28

This field will provide a check for the pharmacy biller to make sure the units submitted are the same as listed on the Medicaid drug file. The biller will submit one of the following in Field 600-28.

GM = gram	Examples: ointments, most inhalers
EA = each	Examples: lyophilized injections, tablets, Pulmicort Inhaler
ML = milliliter	Examples: oral liquids, premixed injections

The computer will read what has been placed in that field and compare that to what is on the drug file. If they match the claim will continue to process. If they are different the claim will deny.

Personal Care Residents and Co-payment Issues

The Medicaid eligibility file does not have the ability to show those recipients who reside in a personal care facility unless they receive a state personal care supplement check. This has created problems with claims showing a co-pay requirement when they are exempted from payment of the co-pay. By placing the value of "02" in the location field the system will bypass the co-pay requirement.

Multiple of Unit Quantity

An issue of concern to Medicaid and pharmaceutical manufacturers when conducting rebate resolution meetings is that often the units submitted and the package size units do not match. Often the units submitted are not a multiple of the product package size. An edit will be put in place which will require that the units submitted must equal or be a multiple of the package size based on the NDC number submitted on the claim. An example of this would be:

Package size = 13 Claim quantity must be 13, or 26, 39, etc.

Package size = 14.7 Claim quantity must be 14.7, 29.4, 44.1, etc.

This edit will be placed on those products for which an entire product is dispensed. This would include: ointments, cream, lotions, jells, all forms of inhalant products, injectables (ampule, vial, cartridge, syringe), all forms of ophthalmic products, nasal products, and otic products.

Contact Information:

For Questions About
Billing of pharmacy claims
This letter or Medicaid policies

Contact
Provider Relations
Pharmacy Department

Phone
800-807-1232
502-564-7940

Sincerely,



Russ Fendley
Commissioner

RF/deb